

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF IOWA**

In re:

MERCY HOSPITAL, IOWA CITY, IOWA, *et al.*,
Debtors.

Chapter 11

Case No. 23-00623 (TJC)

Jointly Administered

**SUMMARY OF CONSOLIDATED SECOND MONTHLY AND FINAL FEE
APPLICATION OF EPIQ CORPORATE RESTRUCTURING, LLC AS
ADMINISTRATIVE ADVISOR TO THE DEBTOR-IN-POSSESSION FOR
ALLOWANCE OF ALL ACTUAL AND NECESSARY EXPENSES INCURRED FOR
THE PERIOD FROM AUGUST 7, 2023 THROUGH JUNE 23, 2024**

Name of Applicant:	Epiq Corporate Restructuring, LLC
Authorized to provide professional services to:	Debtor-in-Possession
Date of Retention:	Order entered on August 15, 2023, retaining Epiq Corporate Restructuring, LLC <i>nunc pro tunc</i> to the Petition Date [Docket No. 104]
Period for which monthly compensation and reimbursement is sought:	April 1, 2024 through June 23, 2024
Amount of monthly compensation sought as actual, reasonable, and necessary:	\$18,064.60
Amount of monthly and expenses reimbursement sought as actual, reasonable, and necessary:	\$0.00
Period for which final approval of compensation and reimbursement is sought:	August 7, 2023 through June 23, 2024
Amount of final compensation sought as actual, reasonable, and necessary:	\$53,286.20

Amount of final expenses reimbursement
sought as actual, reasonable, and necessary: \$0.00

This is a X monthly (consolidated) interim X final application

Prior Applications Filed:

Date Filed/ Docket No.	Period Covered	REQUESTED		APPROVED		Amounts Paid	Amounts Requested in This Application
		Fees	Expenses	Fees	Expenses		
6/5/2024 [D.I. 1099]	8/7/2023 – 3/31/2024	\$35,222.00	\$0.00	\$0.00	\$0.00	\$0.00	\$35,222.00
Requested Herein	4/1/2024– 6/23/2024	\$18,064.60	\$0.00	\$0.00	\$0.00	\$0.00	\$18,064.60
TOTAL		\$53,286.60	\$0.00	\$0.00	\$0.00	\$0.00	\$53,286.60

**COMPENSATION BY INDIVIDUAL
FOR THE MONTHLY PERIOD APRIL 1, 2024 THROUGH JUNE 23, 2024**

The professionals who rendered professional services in these chapter 11 cases from April 1, 2024 through June 23, 2024 (the “Compensation Period”) are:

Name of Professional Individual	Position, year assumed position	Hourly Billing Rate (including changes)	Total Hours Billed	Total Compensation
Alexander Warso	Director	\$198.00	15.80	\$3,128.40
Emily Young	Solicitation Consultant	\$198.00	70.30	\$13,919.40
Stephenie Kjontvedt	Solicitation Consultant	\$198.00	0.60	\$118.80
Regina Amporfro	Senior Consultant II	\$187.00	2.40	\$448.80
Scott Sussman	Senior Consultant	\$176.00	2.30	\$404.80
Yazmin Garcia Peregina	Senior Case Manager	\$148.00	0.30	44.00
Total:			91.70	\$18,064.20
Blended Rate:		\$196.99		

**COMPENSATION BY PROJECT CATEGORY
FOR THE MONTHLY PERIOD APRIL 1, 2024 THROUGH JUNE 23, 2024**

Project Category	Total Hours	Total Fees
495 – Balloting/Solicitation Consultation	73.50	\$14,487.40
642 – Fee Application Preparation	18.20	\$3,577.20
TOTAL	91.70	\$18,064.60

EXPENSE SUMMARY
FOR THE MONTHLY PERIOD APRIL 1, 2024 THROUGH JUNE 23, 2024

Expenses Category	Total Expenses
NONE	\$0.00
TOTAL DISBURSEMENTS	\$0.00

**COMPENSATION BY INDIVIDUAL
FOR THE FINAL FEE PERIOD AUGUST 7, 2023 THROUGH JUNE 23, 2024**

The professionals who rendered professional services in these chapter 11 cases from August 7, 2023 through June 23, 2024, (the “Compensation Period”) are:

Professional Person	Position with the Applicant	Total Hours Billed	Hourly Billing Rate	Total Compensation
Alexander Warso	Director	15.80	\$198.00	\$3,128.40
Charles Safko	Senior Consultant I	2.10	\$160.00	\$336.00
Emily Young	Solicitation Consultant	92.20	\$198.00	\$18,255.60
Garyelle Nelson	Call Center Operator	0.10	\$55.00	\$5.50
Kathryn Tran	Director/V.P. Consulting	66.00	\$180.00	\$11,880.00
Kevin Streseman	Director/V.P. Consulting	0.90	\$180.00	\$162.00
Kim Sturtevant	Call Center Operator	0.40	\$55.00	\$22.00
Kimberly Greenbaum	Senior Consultant I	2.10	\$160.00	\$336.00
Lance Mulhern	Director of Case Management III	30.50	\$170.00	\$5,185.00
Regina Amporfro	Senior Consultant II	10.50	\$187.00	\$1,963.50
		62.90	\$170.00	\$10,693.00
Regina Richardson	Call Center Operator	0.20	\$55.00	\$11.00
Stephanie Zilch	Call Center Operator	0.20	\$55.00	\$11.00
Scott Sussman	Senior Consultant	2.30	\$176.00	\$404.80
Stephenie Kjontvedt	Solicitation Consultant	1.30	\$198.00	\$257.40
Tony Persaud	Senior Case Manager II	4.0	\$145.00	\$580.00
Yazmin Garcia Peregina	Senior Case Manager	0.30	\$148.00	44.00
Zulay Comabella	Call Center Operator	0.20	\$55.00	\$11.00
TOTAL		292.00		\$53,286.20

COMPENSATION BY PROJECT CATEGORY
FOR THE FINAL FEE PERIOD AUGUST 7, 2023 THROUGH JUNE 23, 2024

Matter Number	Matter Description	Total Billed Hours	Total Fees Requested
495	Balloting/Solicitation Consultation	96.40	\$19,018.30
642	Fee Application Prep and Related Issues	27.50	\$5,290.80
645	Schedule/SOFA Prep	168.10	\$28,977.50
TOTAL		292.00	\$53,286.60

EXPENSE SUMMARY
FOR THE FINAL FEE PERIOD AUGUST 7, 2023 THROUGH JUNE 23, 2024

Expenses Category	Total Expenses
NONE	\$0.00
TOTAL DISBURSEMENTS	\$0.00

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF IOWA**

In re:

MERCY HOSPITAL, IOWA CITY, IOWA, *et al.*,

Debtors.

Chapter 11

Case No. 23-00623 (TJC)

Jointly Administered

Pursuant to sections 330 and 331 of title 11 of the United States Code, 11 U.S.C. §§ 101-1330 (the “Bankruptcy Code”), Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), Rule 2016-2 of the Local Rules for the United States Bankruptcy Court for the Northern District of Iowa (the “Local Rules”), and the *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals*, dated September 14, 2023 [Docket No. 224] (the “Interim Compensation Procedures Order”)¹, Epiq Corporate Restructuring, LLC (“Epiq”), administrative agent for the Debtor and Debtor-in-Possession (the “Debtor”), hereby files this application (the “Application”) for (i) allowance of compensation in the amount of \$18,064.60 and reimbursement of expenses in the amount of \$0.00 for the period April 1, 2024 through June 23, 2024 (the “Monthly Fee Period”), and (ii) final allowance of compensation in the amount of \$53,286.20 and reimbursement of expenses in the amount of \$0.00 for the period August 7, 2023 through June 23, 2024 (the “Final Fee Period”). In support of these applications, Epiq respectfully represents as follows:

¹ Terms used but not otherwise defined herein have the meanings ascribed to them in the Interim Compensation Procedures Order.

Jurisdiction and Venue

1. The United States Bankruptcy Court for the Northern District of Iowa (the “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. § 1334 and the Public Administrative Order referring bankruptcy cases entered by the United States District Court for the Northern District of Iowa. This is a core proceeding under 28 U.S.C. § 157(b). Venue of these cases and the Motion in this District is proper under 28 U.S.C. §§ 1408 and 1409.

2. The legal predicates for the relief requested herein are Bankruptcy Code sections 330 and 331 and Bankruptcy Rule 2016. Epiq confirms its consent to the entry of a final order by the Court in connection with the Application in the event that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

BACKGROUND

A. The Chapter 11 Cases

3. On August 7, 2023 (the “Petition Date”), each of the Debtors commenced a case by filing a petition for relief under chapter 11 of the Bankruptcy Code (collectively, the “Chapter 11 Cases”). The Chapter 11 Cases are being jointly administered for procedural purposes only. The Debtors continue to operate their businesses and manage their properties as debtors and debtors-in-possession pursuant to Bankruptcy Code sections 1107(a) and 1108.

4. On August 15, 2023, the Office of the United States Trustee for the Northern District of Iowa (the “U.S. Trustee”) appointed an official committee of unsecured creditors (the “Committee”) in the Chapter 11 Cases [Docket No. 107]. On November 4, 2023, the U.S. Trustee appointed an official committee of pensioners (the “Pension Committee”) [Docket No. 458]. No trustee or examiner has been appointed in these Chapter 11 Cases.

5. Additional information regarding the Debtors and these Chapter 11 Cases, including the Debtors' business operations, capital structure, financial condition, and the reasons for and objectives of these Chapter 11 Cases, is set forth in the *Declaration of Mark E. Toney in Support of Chapter 11 Petitions and First Day Pleadings* [Docket No. 27].

B. The Retention of Epiq

6. On the Petition Date, the Debtors filed an application to employ Epiq as its claims, noticing, solicitation, and administrative agent pursuant to 28 U.S.C. § 156(c), 11 U.S.C. §§ 105(a) and 327(a), and Bankruptcy Rules 2002, 2014(a), and 2016 [Docket No. 9] (the "Initial Retention Application"). On August 14, 2023, the Court entered the *Order Appointing Epiq Corporate Restructuring, LLC as Claims, Noticing, Solicitation, and Administrative Agent, Effective as of the Petition Date* [Docket No. 91], which was subsequently amended by entry of an order on August 15, 2023 [Docket No. 104] (the "Initial Retention Order"). In accordance with the Initial Retention Order, all fees and expenses related to Epiq's claims and noticing agent services will be paid by the Debtor in the ordinary course of business without the necessity of a fee application or monthly statement, and as such, such fees and expenses are not included in this Interim Fee Application.

7. Pursuant to paragraph 9 of the Initial Retention Order, however, Epiq is required to file fee applications with the Court pursuant to Bankruptcy Code sections 330 and 331 for compensation and reimbursement of expenses related to preparation and review of the Debtors' schedules and statements. This concession in the Initial Retention Order was made by Epiq at the request of the U.S. Trustee. Additionally, at the request of the U.S. Trustee, Epiq agreed not to seek approval of any solicitation services as part of the Initial Retention Application and, instead, to file a subsequent application if/when the Debtors requested Epiq provide such services.

8. Accordingly, in advance of plan solicitation, on February 22, 2024, the Debtors filed the *Application of Debtors for Entry of Order Expanding the Scope of Retention and Employment of Epiq Corporate Restructuring, LLC as Administrative Advisor* [Docket No. 759], and on February 27, 2024 the Court granted the application with entry of the *Order Expanding the Scope of Retention and Employment of Epiq Corporate Restructuring, LLC as Administrative Advisor* [Docket No. 775] (the “Expanded Retention Order”).

9. The Expanded Retention Order authorized Epiq to serve as administrative advisor in the Debtors’ Chapter 11 Cases by providing, among other things, balloting and tabulation services in connection with the Debtors’ proposed chapter 11 plan (the “Administrative Advisor Services”). The Expanded Retention Order also required Epiq to apply to the Court for allowance of compensation and reimbursement of expenses incurred in connection with the Administrator Advisor Services in accordance with Bankruptcy Code sections 330 and 331.

C. The Interim Compensation Order

10. On September 14, 2023, the Court entered the Interim Compensation Order, which sets the procedures for interim compensation and reimbursement of expenses in these Chapter 11 Cases. Specifically, the Interim Compensation Order provides that a Retained Professional may file and serve a Monthly Fee Application on or after the fifteenth (15th) day of each month following the month for which compensation is sought. Fourteen (14) days after the service of a Monthly Fee Application, the Debtors are authorized to pay such Retained Professional eighty percent (80%) of the fees and one-hundred percent (100%) of the expenses requested in the Monthly Fee Application that are not subject to an Objection.

I. Second Monthly Fee Application

11. During the Monthly Fee Period, Epiq's professionals expended a total of 91.70 hours for which compensation is requested. A schedule setting forth the number of hours expended by each Epiq professional who rendered services to the Debtor during the Monthly Fee Period, their respective hourly rates, and the aggregate fees incurred by each such individual is attached hereto as Exhibit B. A schedule setting forth project categories utilized by Epiq in these cases, the aggregate number of hours expended by the professionals of Epiq by project category, and the aggregate fees for each project category is attached hereto as Exhibit C. A schedule specifying the categories of expenses for which Epiq is seeking reimbursement and the total amount for each category is attached hereto as Exhibit D. The time detail describing the work performed during the Monthly Fee Period is attached hereto as Exhibit E.

II. Final Fee Application

Final Approval of this Application and Prior Monthly Application Previously Approved as Reasonable and Appropriate at this Time

12. Epiq incorporates by reference its one (1) previous monthly fee application and all notices, certificates of no objections, and orders relating to such application.

13. During the Final Fee Period, Epiq professionals expended a total of 292.00 hours. A schedule setting forth the number of hours expended by each Epiq professional who rendered services to the Debtor during the Final Fee Period, their respective hourly rates, and the aggregate fees incurred by each such individual is attached hereto as Exhibit F. A schedule setting forth project categories utilized by Epiq in these cases, the aggregate number of hours expended by the professionals of Epiq by project category, and the aggregate fees for each project category is attached hereto as Exhibit G. A schedule specifying the categories of expenses for which Epiq is seeking final allowance and the

total amount for each category is attached hereto as Exhibit H. The time detail describing the work performed during the Final Period is attached hereto as Exhibit I.

Summary of Services by Project for the Final Period

A. 495 – Balloting/Solicitation Consultation

Fees: \$19,018.30 Total Hours: 96.40

14. This category includes all matters related to the solicitation process, including but not limited to: (i) preparation for the mailing of solicitation materials; (ii) review of post-solicitation issues, including receiving and processing ballots submitted in connection with the Plan; (iii) tabulation and audit of all votes cast; (iv) preparation and finalization of the vote certification for filing with the Court; and (v) attendance at the hearing to consider confirmation of the Plan as a declarant in support of confirmation.

B. 642 – Fee Application Preparation

Fees: \$5,290.80 Total Hours: 27.50

15. This category includes all matters relating to the preparation of Epiq fee and expense applications.

C. 645 – Schedule/SOFA Preparation

Fees: \$28,977.50 Total Hours: 168.10

16. Time in this category includes work related to the preparation and filing of certain of the Debtor's Schedule of Assets and Liabilities and Statement of Financial Affairs ("Schedules and Statements"). Epiq's associates worked closely with the Debtor's personnel and legal advisors to gather the necessary data, and then analyze and compile that data into the Schedules and Statements.

Description and Valuation of Services for the Final Fee Period

17. The rates charged to the Debtor's estates are Epiq's normal hourly rates for work of this nature. The reasonable value of the services rendered by Epiq to the Debtor during the Final Fee Period is \$53,286.20.

18. In accordance with the factors enumerated in Bankruptcy Code section 330, it is respectfully submitted that the amount requested by Epiq is fair and reasonable given (a) the complexity of the cases, (b) the time expended, (c) the nature and extent of the services rendered, (d) the value of such services, and (e) the costs of comparable services, other than in a case under chapter 11 of the Bankruptcy Code. Moreover, Epiq has reviewed the requirements of Local Rule 2016-2 and believes that this Application complies with such Local Rule.

Actual and Necessary Expenses for the Final Fee Period

19. Epiq did not incur expenses in connection with representing the Debtor's during the Final Fee Period.

20. Epiq believes that its efforts on behalf of the Debtor's in these cases were necessary and that its fees and expenses are reasonable and appropriate and should therefore be approved in full by the Court.

No Other Payments Received

21. Epiq received no payment and no promises for payment from any source for services rendered or to be rendered in any capacity in connection with the matters covered by this Application.

22. There is no agreement or understanding between Epiq and any other person other than among the members of Epiq for the sharing of compensation to be received for services rendered in these cases.

No Prior Relief

23. No prior application for the relief requested herein has been made to this or any other court.

No Adverse Interest

24. At all relevant times, Epiq has neither represented nor held any interest adverse to the Debtor's estates.

WHEREFORE, Epiq respectfully requests this Court:

- (a) approve on a final basis (i) the compensation in the amount of \$18,064.60 for actual, reasonable, and necessary professional services rendered on behalf of the Debtor for the period April 1, 2024 through June 23, 2024 as requested in this Application; (ii) reimbursement in the amount of \$0.00 for actual, reasonable, and necessary expenses incurred for the period April 1, 2024 through June 23, 2024, as requested in this Application;
- (b) grant final approval of Epiq's fees and expenses for the Final Fee Period in the amount of \$53,286.20; and
- (c) grant such other and further relief as this Court deems just and proper.

Dated: August 8, 2024

EPIQ CORPORATE RESTRUCTURING, LLC

/s/Kate Mailloux

Kate Mailloux
Senior Director
777 Third Avenue, 12th Floor
New York, NY 10017

Epiq Corporate Restructuring, LLC
ADMINISTRATIVE ADVISOR FOR DEBTOR-IN-
POSSESSION

Dated: Cedar Rapids, Iowa
August 8, 2024

NYEMASTER GOODE, P.C.

/s/ Roy Leaf

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Counsel for Debtors and Debtors-in-Possession

Certificate of Service

The undersigned certifies, under penalty of perjury, that on this August 8, 2024, the foregoing document was electronically filed with the Clerk of Court using the Northern District of Iowa CM/ECF and the document was served electronically through the CM/ECF system to the parties of this case

/s/ Roy Leaf